



1995 SENATE BILL 596

March 5, 1996 - Introduced by Senators CLAUSING, BURKE, WINEKE, GROBSCHMIDT, MOEN, DECKER and CHVALA, cosponsored by Representatives PLACHE, ROBSON, BLACK, R. YOUNG, TRAVIS, PLOMBON, HUBER, GOETSCH, SERATTI, BELL, MEYER, BALDUS and AINSWORTH. Referred to Committee on Education and Financial Institutions.

1 **AN ACT to repeal** 121.07 (6) (am), 121.07 (6) (dg), 121.07 (6) (dr), 121.07 (7) (bm)
2 and 121.07 (10) (d); **to amend** 121.07 (6) (e), 121.07 (7) (c), 121.07 (7) (d), 121.07
3 (7) (e), 121.07 (8), 121.07 (10) (a), 121.08 (2), 121.15 (3m) (c) and 121.23 (2)
4 (intro.); and **to repeal and recreate** 73.03 (46), 121.07 (6) (b), 121.07 (6) (d),
5 121.07 (7) (a), 121.07 (7) (b) and 121.08 (1) of the statutes; **relating to:**
6 calculation of school aid under the state school aid formula.

Analysis by the Legislative Reference Bureau

Under the current state school aid formula, the guaranteed valuation is the amount of property tax base support that the state guarantees to each pupil. The current formula has 2 levels of state support, a primary guaranteed valuation and a secondary guaranteed valuation. The secondary guaranteed tax base applies to costs above a certain level. Because the secondary guarantee is lower than the main, primary guarantee, it generates less state aid on the costs to which it applies. The dividing point between use of the primary and secondary guarantees is called the primary ceiling cost per member. Currently, the primary ceiling cost per member is set annually at the previous school year's ceiling increased by the percentage change in the consumer price index (CPI).

Beginning in the 1996-97 school year, a tertiary level of state support is added to the calculation of a school district's portion of school aid under the school aid formula. The primary ceiling cost per member becomes \$1,000. In the 1996-97 school year, the secondary ceiling cost per member is the 1995-96 primary ceiling cost per member increased by the percentage change in the CPI. Thereafter, the secondary ceiling cost per member is the secondary ceiling cost per member in the previous school year increased by the percentage change in the CPI.

This bill eliminates the tertiary level of state support, thus maintaining the current 2-level school aid formula.

Beginning in the 1996-97 school year, current law directs the department of administration and the legislative fiscal bureau to jointly certify to the joint committee on finance (JCF) an estimate of the amount necessary to appropriate as general school aid to ensure that the sum of state school aids and the school levy tax credit equals 66.7% of the sum of state school aids and property taxes levied for schools. JCF must then determine the amount appropriated as general school aid.

This bill directs JCF, after receiving the certified estimate, to determine the amount necessary to appropriate as general school aid to ensure that the sum of state school aids and the school levy tax credit equals 66.7% of the sum of state school aids and property taxes levied for schools. The amount determined by JCF is the amount appropriated as general school aid.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 73.03 (46) of the statutes, as affected by 1995 Wisconsin Act 27, is
2 repealed and recreated to read:

3 73.03 **(46)** In each school year, to determine the rate for determining the
4 primary ceiling cost per member under s. 121.07 (6) (b). The rate for any school year
5 is the average percentage change in the consumer price index for all urban
6 consumers, U.S. city average, for the calendar year ending on the 2nd preceding
7 December 31, as computed by the federal department of labor.

8 **SECTION 2.** 121.07 (6) (am) of the statutes, as created by 1995 Wisconsin Act
9 27, is repealed.

10 **SECTION 3.** 121.07 (6) (b) of the statutes, as affected by 1995 Wisconsin Act 27,
11 is repealed and recreated to read:

12 121.07 **(6)** (b) The “primary ceiling cost per member” shall be the amount
13 determined by multiplying the primary ceiling cost per member in the previous
14 school year by the rate determined under s. 73.03 (46) and adding the result to the
15 primary ceiling cost per member in the previous school year.

1 **SECTION 4.** 121.07 (6) (d) of the statutes, as affected by 1995 Wisconsin Act 27,
2 is repealed and recreated to read:

3 121.07 **(6)** (d) The “secondary shared cost” is that portion of a district’s shared
4 cost which is not included in the primary shared cost.

5 **SECTION 5.** 121.07 (6) (dg) of the statutes, as created by 1995 Wisconsin Act 27,
6 is repealed.

7 **SECTION 6.** 121.07 (6) (dr) of the statutes, as created by 1995 Wisconsin Act 27,
8 is repealed.

9 **SECTION 7.** 121.07 (6) (e) of the statutes, as affected by 1995 Wisconsin Act 27,
10 is amended to read:

11 121.07 **(6)** (e) For a school district created by a consolidation under s. 117.08
12 or 117.09, in the school year in which the consolidation takes effect and in each of the
13 subsequent 4 school years, the amounts amount under ~~pars.~~ par. (b) and ~~(d)~~ shall be
14 multiplied by 1.1 and rounded to the next lowest lower dollar.

15 **SECTION 8.** 121.07 (7) (a) of the statutes, as affected by 1995 Wisconsin Act 27,
16 is repealed and recreated to read:

17 121.07 **(7)** (a) The “primary guaranteed valuation per member” is an amount,
18 rounded to the next lower dollar, that, after subtraction of payments under ss.
19 121.09, 121.105, 121.85 (6) (b) 2. and 3. and (c) and 121.86, fully distributes the sum
20 of the amount remaining in the appropriation under s. 20.255 (2) (ac) for payments
21 under ss. 121.08 and 121.85 (6) (a) and (g).

22 **SECTION 9.** 121.07 (7) (b) of the statutes, as affected by 1995 Wisconsin Act 27,
23 is repealed and recreated to read:

24 121.07 **(7)** (b) The “secondary guaranteed valuation per member” shall be an
25 amount rounded to the next lower dollar determined by multiplying the equalized

1 valuation of the state by 1.06 and dividing the result obtained by the state total
2 membership.

3 **SECTION 10.** 121.07 (7) (bm) of the statutes, as created by 1995 Wisconsin Act
4 27, is repealed.

5 **SECTION 11.** 121.07 (7) (c) of the statutes, as affected by 1995 Wisconsin Act 27,
6 is amended to read:

7 121.07 (7) (c) For districts operating only high school grades, the amounts in
8 pars. (a) to ~~(bm)~~ and (b) shall be multiplied by 3 and rounded to the next lower dollar.

9 **SECTION 12.** 121.07 (7) (d) of the statutes, as affected by 1995 Wisconsin Act 27,
10 is amended to read:

11 121.07 (7) (d) For districts operating only elementary grades, the amounts in
12 pars. (a) to ~~(bm)~~ and (b) shall be multiplied by 1.5 and rounded to the next lower
13 dollar.

14 **SECTION 13.** 121.07 (7) (e) of the statutes, as affected by 1995 Wisconsin Act 27,
15 is amended to read:

16 121.07 (7) (e) For a school district created by a consolidation under s. 117.08
17 or 117.09, in the school year in which the consolidation takes effect and in each of the
18 subsequent 4 school years, the amounts under pars. (a) to ~~(bm)~~ and (b) shall be
19 multiplied by 1.1 and rounded to the next lower dollar.

20 **SECTION 14.** 121.07 (8) of the statutes, as affected by 1995 Wisconsin Act 27,
21 is amended to read:

22 121.07 (8) GUARANTEED VALUATION. A school district's primary, and secondary
23 ~~and tertiary~~ guaranteed valuations are determined by multiplying the amounts in
24 sub. (7) by the district's membership.

1 **SECTION 15.** 121.07 (10) (a) of the statutes, as affected by 1995 Wisconsin Act
2 27, is amended to read:

3 121.07 **(10)** (a) The “required levy rate” is the sum of the rates derived in pars.
4 (b) ~~to (d)~~ and (c).

5 **SECTION 16.** 121.07 (10) (d) of the statutes, as created by 1995 Wisconsin Act
6 27, is repealed.

7 **SECTION 17.** 121.08 (1) of the statutes, as affected by 1995 Wisconsin Act 27,
8 is repealed and recreated to read:

9 121.08 **(1)** The state shall pay to the school district a sum equal to the amount
10 by which the primary guaranteed valuation exceeds the school district equalized
11 valuation, multiplied by the primary required levy rate, and a sum equal to the
12 amount by which the secondary guaranteed valuation exceeds the school district
13 equalized valuation, multiplied by the secondary required levy rate.

14 **SECTION 18.** 121.08 (2) of the statutes, as affected by 1995 Wisconsin Act 27,
15 is amended to read:

16 121.08 **(2)** The aid computed under sub. (1) shall be reduced by the ~~sum of the~~
17 amount by which the school district equalized valuation exceeds the secondary
18 guaranteed valuation, multiplied by the secondary required levy rate, ~~and the~~
19 ~~amount by which the school district equalized valuation exceeds the tertiary~~
20 ~~guaranteed valuation, multiplied by the tertiary required levy rate.~~ In no case may
21 the aid under this section be less than ~~the amount under sub. (1) (a)~~ zero.

22 **SECTION 19.** 121.15 (3m) (c) of the statutes, as created by 1995 Wisconsin Act
23 27, is amended to read:

24 121.15 **(3m)** (c) By June 30, 1996, and annually by June 30 thereafter, the joint
25 committee on finance shall determine the amount ~~appropriated~~ necessary to

1 appropriate under s. 20.255 (2) (ac) in the following school year to ensure that the
2 sum of state school aids and the school levy tax credit under s. 79.10 (4) equals 66.7%
3 of partial school revenues.

4 **SECTION 20.** 121.23 (2) (intro.) of the statutes, as affected by 1995 Wisconsin
5 Act 27, is amended to read:

6 121.23 (2) (intro.) If a school district holds less than 180 days of school as the
7 result of a strike by school district employes, for the purposes of computing general
8 aid, the state superintendent shall compute the school district's primary and
9 secondary ceiling costs cost per member in accordance with the procedure specified
10 in pars. (a) to (e). In making the calculation, the state superintendent shall:

11 **SECTION 21. Initial applicability.**

12 (1) This act first applies to the payment of state school aid in the 1996-97 school
13 year.

14 (END)